

Business briefs

Earnings

U.S. Steel reports
\$174 million loss

PITTSBURGH — U.S. Steel reported a far-wider-than-expected loss for the fourth quarter as domestic steel shipments and production continued to dwindle.

The Pittsburgh-based steel-maker reported a loss today of \$174 million, or \$1.95 a share, compared with a loss of \$139 million, or \$1.57 a share, in the same period in 2000.

Excluding one-time costs, the steel company reported a loss from continuing operations of \$121 million, or \$1.36 a share. That was more than double the loss of \$57 million, or 64 cents a share, the company reported in the fourth quarter of 2000 when adjusted for special items.

Analysts polled by Thomson Financial/First Call had expected U.S. Steel to post a loss of \$1 a share in the fourth quarter on an adjusted basis.

U.S. Steel blamed the decline in steel shipments, which was reported Thursday, on an over-supplied global market. The International Trade Commission has said imports have hurt U.S. steel producers and the Bush Administration is considering whether to impose tariffs on imported steel.

The Associated Press

Earnings

Wolverine says it expects
to report losing quarter

Huntsville-based Wolverine Tube Inc. announced late Monday it expects to lose between 36 and 41 cents per share for the quarter that ended in December.

The company, which makes copper and specialty tube, reported it expected to lose between 23 and 28 cents per share from operations, with the remaining loss related to inventory and other unusual, or one-time, charges.

Dennis Horowitz, Wolverine's president, chairman and chief executive officer, said the company has been severely hampered by the economic recession, and a number of its customers and vendors also had financial difficulties during the quarter.

The losing quarter follows Wolverine's announcement in November that it had cut costs through layoffs, scaled back production at its plants — including its Decatur facility — and reduced salaries. The company also announced in November that it was facing its weakest customer demand since the early 1990s.

Wolverine will host a conference call Feb. 21, to discuss its fourth quarter and 2001 year-end financial results.

Staff reports

Automotive

GM reaffirms plans
to end Oldsmobile brand

NEW ORLEANS — General Motors Corp. management told hundreds of Oldsmobile dealers on Monday that it won't reverse its decision to kill the brand or sweeten the separation agreements with dealers.

GM's vice president for industry dealer relations said he understands the dealers' feelings, but the company is not reversing its decision to end production of the Oldsmobile line by the 2004 model year. "The decision has been made, and we're working with our dealers to get every one of them through the situation," Darwin Clark said.

Associated Press

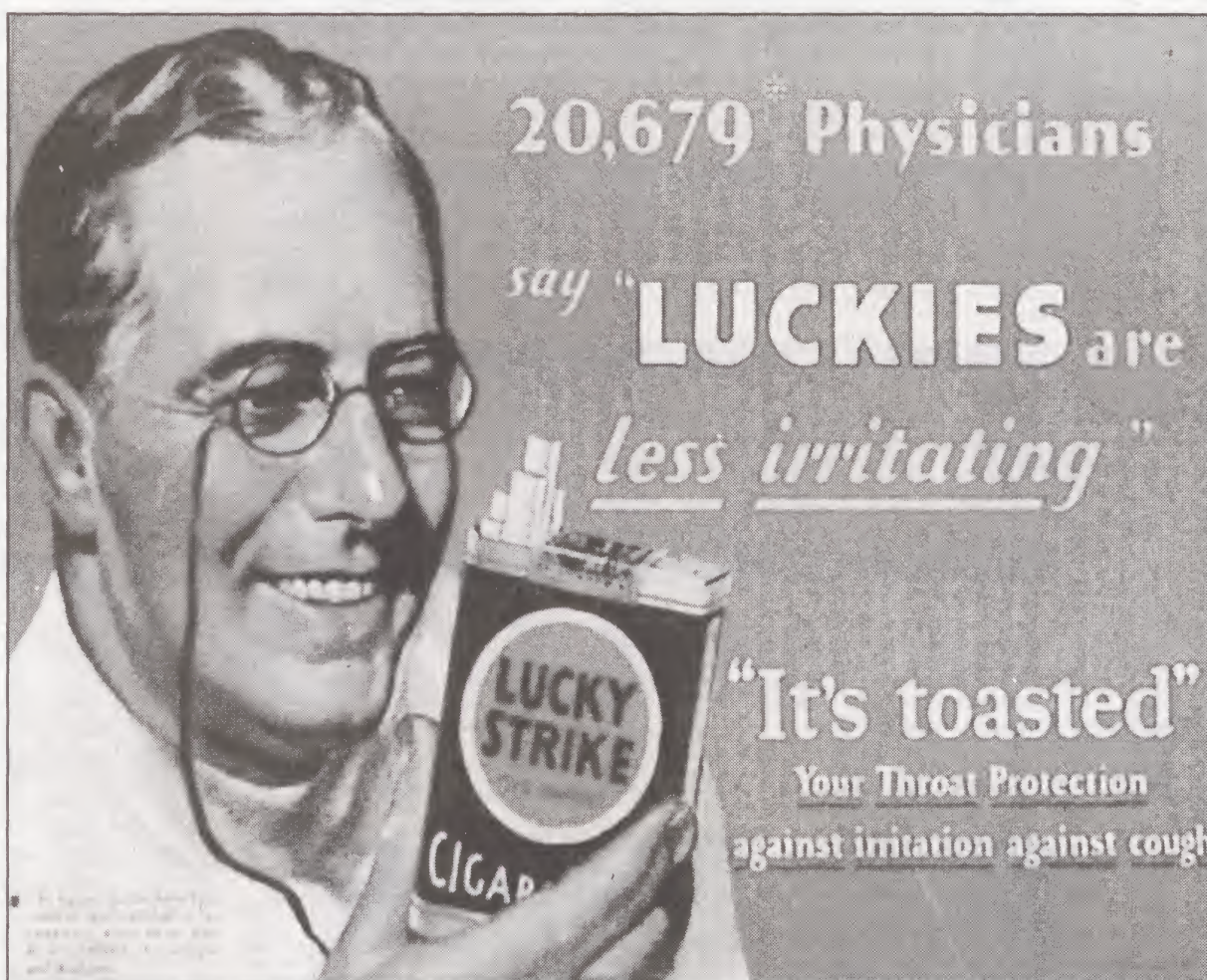
Retailing

Penney's makes changes
in corporate structure

J.C. Penney Co. Monday announced changes in its corporate structure that would make it easier for the retailer to spin off its Eckerd drugstore chain, a valuable asset that one stock analyst valued at about \$5 billion.

The new structure creates a holding company, or umbrella group, to independently operate J.C. Penney's three main divisions: its department stores, its catalogues and e-business, and the century-old Eckerd chain.

The Washington Post



Special to the Times

An ad in the "When More Doctors Smoked Camels" exhibit at UAB's Alabama Museum of Health Sciences.

Smoking's stained history on show

Exhibit recaps a century of cigarette ads where even doctors indulged

By LINDA LONG

Times Birmingham Correspondent

BIRMINGHAM — In a 1940s-era magazine advertisement, a new mother puffs a cigarette as she caresses her tiny baby. Another sales pitch boasts that more doctors smoke Camels than any other cigarette, and in a bit of ironic hindsight, Chesterfields claim to be "after a man's heart."

"When 'More Doctors Smoked Camels,'" an exhibit on display through Friday at the University of Alabama at Birmingham's Alabama Museum of Health Sciences,

looks at a century of cigarette advertising claims.

The exhibit, prepared by Dr. Alan Blum, professor of family medicine and director and founder of the Center for the Study of Tobacco and Society, features 25 ads selected from thousands that Blum has collected. They show white-coat clad doctors and freckle-faced nurses promoting cigarettes as a healthy option for a variety of ailments.

One 1946 ad boasts that "24 hours a day, your doctor is on duty . . . a few winks of sleep and a few puffs of a cigarette and he's back at the job again."

"In the early 1950s, 67 percent of physicians smoked, although they were among the first group to quit as scientific evidence of health

risked started to mount," Blum said.

Still, Blum said cigarette advertising appeared in medical journals as late as 1983.

"The medical profession didn't step up to the plate to take a stand against smoking. Politicians have not been heroes, and the publishing industry has not ostracized tobacco," he said.

As for the advertisers responsible for both early and current day cigarette advertising, Blum calls them "scoundrels and panderers." He bases that assessment in part from what he called the inconsistencies and contradictions of the early days to current "100 percent deception."

To underscore his point, Blum

Please see **STAINED** on B9

Nader group rates auto safety in book

Saturn scores high among cars; Mercury, Nissan minivans best bets

By JONATHAN D. SALANT

The Associated Press

WASHINGTON — Looking to buy a new car this year? The Saturn L scores best among family sized cars in eight categories, including safety features and crash tests, according to a veteran consumer advocate.

The Mercury Villager and Nissan Quest are the highest rated minivans based on the same eight criteria.

The ratings come from the 2002

edition of "The Ultimate Car Book," published in cooperation with the Center for Auto Safety, an advocacy group founded by consumer advocate Ralph Nader. The book was released today.

The book rated cars, small trucks, minivans and SUVs by crash tests, safety features, repair and maintenance costs, fuel economy, complaints, warranties and insurance costs. He listed 38 cars and trucks in 10 categories as his best bets for 2002.

The other top-rated cars included the following family sized or intermediate models: Ford Taurus, Volkswagen Passat, Dodge Intrepid and Stratus, Honda Accord and Volvo S80. Other

top-rated minivans included the Chrysler Town and Country and Pontiac Montana. The top rated large sport utility vehicles were the Lincoln Navigator and Ford Expedition.

"These are the cars that do the best in the criteria we think are important, which is heavily weighted toward safety," said the book's author, Jack Gillis, director of public affairs for the Consumer Federation of America, an advocacy group. "Crash tests and safety features are prominent."

Gillis wrote the original consumer guide while working for the U.S. Transportation Department. When the

Please see **SAFETY** on B9Small-business owners can use
conference to make connections

Entrepreneurs get chance to share ideas with larger audience

By GINA HANNAH

Times Business Writer
ginah@htimes.com

Small-business owners seeking to do business with the government are getting a chance this week to rub elbows with program managers from more than a dozen government agencies and large corporations.

Alabama A&M University's Research Institute is hosting its annual Small Business Technology Transfer Program/Small Business Innovation Research Program and Historically Black Colleges and Universities and Minority Institutes Technical Assistance Conference. The event takes place through Wednesday in the university's

"In order for (the university) to be successful, we should help the economy of North Alabama."

Dr. Daryush Ila, director of the Research Institute

Knight Center and is sponsored by the U.S. Department of Defense.

The goal of the conference: To link area small businesses with agencies and conferences that need their technology and services.

Dr. Daryush Ila, director of the Research Institute and conference organizer, said he has a selfish motive for helping local

businesses connect with those who can help them succeed.

"In order for (the university) to be successful, we should help the economy of North Alabama," he said. "A school needs students and if we aren't growing, the school is at a standstill."

Ila established the Research Institute in April 1999 to develop joint grants, contracts and other cooperative agreements with other institutions and industry. Since then, Ila said, he has obtained roughly \$30 million in grants and contracts for the institute, forming partnerships with nearly 40 small businesses.

Many grants, such as the Small Business Innovation Research Grant and Small Business Technology Transfer Re-

Please see **USE** on B9\$12B debt
pulls down
telecom
company

Global Crossing bankruptcy is fourth largest in U.S. history

By ELIZABETH DOUGLASS

Los Angeles Times

Global Crossing Ltd., which built the world's largest undersea communications network, sank into bankruptcy on Monday under the burden of more than \$12 billion in debt.

The Chapter 11 filing by the Beverly Hills, Calif., company is the largest ever by a U.S. telecommunications firm, and a huge setback for founder and chairman Gary Winnick, a feisty former bond trader who was crowned the richest man in Los Angeles when his Global Crossing stake grew to be worth \$6 billion in 1999.

Winnick's push to build a vast, global network was not ill-conceived, just ill-timed, analysts say. The web of fiber-optics itself may have ended up with extra capacity and overwhelming debt, but now it represents a near-steal for whoever buys it.

As part of the bankruptcy filing, an investment group led by Hong Kong billionaire Li Ka-Shing plans to pump \$750 million into Global Crossing in an effort to keep it afloat. But that was little consolation for the company's creditors, lenders and shareholders, who stand to recover little, if any, of their investments.

"This is a complete debacle . . . everyone's worst nightmare," said Patrick Comack, an analyst at Guzman & Co. "It's awful for debt holders. It's awful for shareholders. It's a shame."

Global Crossing Chief Executive John Legere called the bankruptcy filing, the fourth-largest in U.S. history, "a hard decision."

"The company at this level and size is just not able to handle the debt," said Legere, the company's sixth CEO in the past 4 1/2 years.

In its filing, Global Crossing said it had \$12.4 billion in debt and assets of \$22.4 billion. Its largest creditors are investors who purchased \$6 billion in bonds and other debt securities, and a group of 81 banks led by JP Morgan Chase and Citibank, owed about \$2.25 billion, Legere said.

Other creditors include a Who's Who list of telecommunications equipment makers, ranging from Lucent Technologies, Nortel Networks, Cisco and Alcatel, as well as large phone companies such as SBC Communications and Verizon Communications. Shareholders who held \$55 billion worth of Global Crossing stock at its peak will get nothing.

Comack and other analysts had hoped Global Crossing could limp through the downtrodden market for telecommunications services by selling off units and slashing costs.

Last year, Global Crossing cut more than 3,000 jobs, closed dozens of offices, sharply reduced spending and moved to pay preferred dividends in stock instead of cash to save money. But in the end, it wasn't enough.

Legere said the company's bankruptcy filing is just part of a plan aimed at rescuing Global Crossing.

Adtran offers employees
stock option exchanges

From Staff Reports

Huntsville-based Adtran Inc. is offering its employees a chance to exchange their current stock options for new options.

The offer affects options with an exercise price of at least \$40 per share. Employees, executive officers and directors have about a month to decide if they will exchange the options.

Employees will receive three options for every four they exchange. The option price is expected to be determined based on the company's stock price about six months after the February deadline. The company has not set a firm date for the new option to be priced.

Adtran, which has about 1,600 employees, reported that about 1.49 million shares are eligible for the option exchange program.

In a filing with the U.S. Securities and Exchange Commission, Adtran said the option offer would provide employees "a valuable incentive" to stay with the company. Typically, stock options are offered to employees at a favorable price below the stock's current market value.

Options where stock can be purchased for at least \$40 per share aren't nearly as attractive today — Adtran's stock was trading mid-morning at \$27.11 — as they were through early 2000, when the company's stock was trading between \$50-\$75 per share. Adtran's stock has not closed above \$40 since Nov. 15, 2000.

The company reported that for the foreseeable future, the eligible options are unlikely to be exercised and Adtran wanted to provide options that could be exercised at a fair market price.